

## Message Text

UNCLASSIFIED

PAGE 01 CAIRO 05663 121457Z

46

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AGR-10 CIAE-00 INR-07 LAB-04

NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02 FRB-01 OMB-01

USIA-15 XMB-04 /068 W

----- 016526

R 091158Z JUN 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 4414

INFO USDOC

AMEMBASSY DAMASCUS

AMEMBASSY RABAT

AMCONSUL CASABLANCA

UNCLAS CAIRO 5663

USDOC FOR IM/SAD

E.O. 11652: N/A

TAGS: BEXP, EG, MO, SY

SUBJECT: TEXTILE EQUIPMENT TRADE MISSION VISIT TO EGYPT

1. SUMMARY: TEXTILE EQUIPMENT TRADE MISSION TIMING WAS PERFECT FOR TRADE DEVELOPMENT PURPOSES. EMBASSY CONSIDERS VISIT HIGHLY SUCESSFUL MISSION MEMBERS REPORTED THEY ACHIEVED PRIMARY OBJECTIVES AND RESULTS EXCEEDED EXPECTATIONS. MISSION FROM MAY 23-30 HAD FULL PROGRAM FACTORY VISITS AND MEETINGS ARRANGED BY POST IN COOPERATION WITH GOE AND RECEIVED EXTREMELY WARM WELCOME FROM EGYPTIANS, MAJOR IN MARKET DEVELOPMENT WILL BE FINANCING. END SUMMARY.

2. TIMING OF TEXTILE EQUIPMENT TRADE MISSION VISIT MAY 23-30 WAS PRAC-

TICALLY PERFECT BECAUSE WORLD BANK NOW PREPARING \$200 MILLION PLUS TEXTILE PROJECT FOR EGYPT AND EGYPTIAN FIVE YEAR PLAN 1976-80  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CAIRO 05663 121457Z

PROBABLY

WILL INCLUDE LE 350 MILLION (ABOUT \$950 MILLION) FOR TEXTILE AND COTTON GINNING INDUSTRIES. US HAD VIRTUALLY LEFT LARGE EGYPTIAN TEXTILE MACHNERY MARKET TO COMPETITORS FOR LAST 15 YEARS, WITHOUT REAL EFFORT TO MAINTAIN ITS SHARE. MISSION VISIT WAS REGARDED BY GOE AND PRIVATE TEXTILE OFFICIALS AS SYMBOLIC RE-ESTABLISHMENT OF ONG-SEVERED TIES.

3. WITH ONLY HLAF OF THE MISSION MEMBERS REPORTING, PROJECTED 12-MONTH SALES ARE \$1.7 MILLION WITH AN ADDITIONAL \$400 THOUSAND PROJECTED WITHIN TWO YEARS. 25 LEADS WERE DEVELOPED. CROMPTON & KNOWLES APPOINTED AGENT ON SPOT, MORRISON, ARTMORE, COLEMAN AND CONSOLIDATED INTERNATIONAL EXPECT APPPOINT AGENTS WITHIN 12 MONTHS. AGENT LEADS TOTAL 13. SIX MISSION MEMBERS INDICATED TO COMML. OFF. THAT COMPANY REPS WOULD RETURN TO EGYPT WITHIN NEXT 3-4 MONTHS.

4. MISSION MEMBERS MET WITH MINISTERS OF TRADE AND INDUSTRY. MINISTER OF FINANCE ALSO ATTENDED SOCIAL OCCASION. MEETINGS WITH DEPUTY CHAIRMAN GENERAL ORGANIZATION FOR INDUSTRIALIZATION, CHAIRMAN EGYPTIAN GENERAL ORGANIZATION FOR SPINNING AND WEAVING AND OFFICIALS OF THE EGYPTIAN FEDERATION OF INDUSTRIES WERE FRUITFUL. AMONG THE MOST USEFUL MEETINGS WERE SESSIONS WITH THE CHAIRMEN OF VARIOUS FACTORIES AND MILLS VISITED WHERE THEY DISCUSSED AMBITIOUS EXPANSION PLANS.

5. MISSION VISITED MISR FINE SPINNING AND WEAVING MILLS AND BEIDA MILLS AT KAFR EL DAWAR, EL NASR CLOTHING AND TEXTILE COMPANY, EL NASR WOOL AND SELECTED TEXTILES COMPANY IN ALEXANDRIA AND THE MEHALLA AL KUBRA TEXTILE COMPLEX. IN ADDITION, QUALITY CONTROL CENTER OF PRINCIPAL TECHNICAL CENTERS FOR BOTH COTTON PRODUCTION AND QUALITY CONTROL OF EXPORTED TEXTILES. MISSION MEMBERS GAINED IN DEPTH VIEW OPERATING PROBLEMS AND EQUIPMENT REQUIREMENTS THIS MAJOR SEGMENT EGYPTIAN INDUSTRIAL SECTOR.

6. SOCIAL OCCASIONS PROVIDED SERIES OF OPPORTUNITIES FOR PROTRACTED CONTACTS WITH SENIOR TEXTILE OFFICIALS FROM PUBLIC AND PRIVATE SECTORS. CHARGE HOSTED RECEPTION FOR MORE THAN 125 EGYPTIAN GUESTS AT BEGINNING OF MISSION AND LATER CONGEN ALEXANDRIA HOSTED RECEPTION FOR TEXTILE OFFICIALS IN ALEXANDRIA. MISSION MEMBERS WERE BRIEFED BY COMML. OFF. ON FIRST WORKING DAY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CAIRO 05663 121457Z

IN CAIRO.

7. FROM THE EGYPTIAN SIDE, MISSION MEMBERS WERE ALMOST OVERWHELMED WITH HOSPITALITY. MINISTER OF INDUSTRY HOSTED LUNCHEON FOR MORE THAN 100 GUESTS. TWO COMPANY CHAIRMEN HOSTED LUNCHES, TWO LUNCHES WERE GIVEN BY EGYPTIAN FEDERATION OF INDUSTRIES AND FINAL FAREWELL RECEPTION HOSTED BY CHAIRMAN, EGYPTIAN SPINNING AND WEAVING ORGANIZATION.

8. MISSION MEMBERS APPEARED TO BE EXTREMELY PLEASED WITH SCHEDULING AND ARRANGEMENTS ALTHOUGH A NUMBER WOULD HAVE PREFERRED TO HAVE MORE PROGRAMMED FREE TIME TO SPEND ADDITIONAL PERIODS WITH PROSPECTIVE CUSTOMERS AND AGENTS. MISSION DIRECTOR AND SEVERAL COMPANY REPS SUGGESTED THAT AT LEAST ONE DAY BE LEFT COMPLETELY OPEN. EGYPTIAN PRIVATE SECTOR TEXTILE MANUFACTURERS PRIVATELY COMPLAINED TO SOME MISSION MEMBERS THAT THEIR PLANTS WERE NOT VISITED AND THAT PROGRAM CONCENTRATED TOO MUCH ON PUBLIC SECTOR. WHILE EMBASSY WISHES TO ENCOURAGE PRIVATE SECTOR CONTACTS, FROM ORGANIZATION OF EGYPTIAN TEXTILE INDUSTRY, BULK OF TEXTILE MACHINERY SALES WILL HAVE TO BE WELL-ESTABLISHED PUBLIC SECTOR TEXTILE COMPANIES.

9. SPECIAL PRORAM WAS ARRANGED FOR SOLE MANUFACTURER COTTON GINNING MACHINERY. HE EXPECTS AS RESULT OF THIS MISSION THAT GOE MAY BE READY FOR HISTORIC CHANGE FROM ROLLER TO SAW-TYPE COTTON GINNING. HE STATED THAT NUMBER AND PLACEMENT OF CONTACTS OBTAINED DURING THIS MISSION COULD ONLY HAVE BEEN OBTAINED THROUGH TWO YEARS OF REPEATED VISITSSBY COMPANY REPS, IF AT ALL.

10. SEVERAL MANUFACTURERS ARE CONSIDERING PLACING SAMPLE MACHINERY IN EITHER EGYPTIAN MILLS OR QUALITY CONTROL CENTER. MISSION MEMBERS OBSERVED IN SEVERAL MILLS THAT COMPETITORS HAVE OFFERED SINGLE MACHINES AS SAMPLES ALSO, IT WAS NOTED THAT A SUBSTANTIAL TEXTILE MACHINERY WAS EXHIBITED AT THE CAIRO INTERNATIONAL FAIR EARLIER THIS YEAR BY MAJOR NON-AMERICAN MANUFACTURERS OF TEXTILE MACHINERY.

11. MAJOR PROBLEM BLOCKING REALIZATION TEXTILE MACHINERY SALES OPPORTUNITIES IS FINANCING. ALTHOUGH US PRICES NOW COMPETITIVE OR LOWER THAN MANY OTHER MAJOR COMPETITORS, OTHER NATIONS SEEM ABLE PROVIDE BETTER FINANCING. SOME MISSION MEMBERS INDICATED THEY WOULD BE DISCUSSING ENCOURAGEMENT OF EXIM FINANCING FOR EGYPT WITH THEIR UNCLASSIFIED

UNCLASSIFIED

PAGE 04 CAIRO 05663 121457Z

CONGRESSMEN AND OTHERS ENCOURAGED DISCUSS MARKETING PROBLEMS WITH MEMBERS US/EGYPTIAN JOINT BUSINESS CHAMBER. MEMBERS WERE CONSERVATIVE IN ESTIMATES OF FUTURE SALES BECAUSE OF THEIR INABILITY PROVIDE FINANCING FOR THIS MOST PROMISING MARKET.  
EILTS

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CAIRO05663  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750205-0380  
**From:** CAIRO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750666/aaaachxi.tel  
**Line Count:** 159  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 FEB 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 FEB 2003 by PhilliR0>; APPROVED <03 FEB 2004 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXTILE EQUIPMENT TRADE MISSION VISIT TO EGYPT  
**TAGS:** BEXP, EG, MO, SY  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006